

RECOMMENDATION OF THE CUSTOMS CO-OPERATION COUNCIL
CONCERNING ACTION AGAINST CUSTOMS VALUATION FRAUD

(22 JUNE 1988)

THE CUSTOMS CO-OPERATION COUNCIL,

RECOGNIZING that fraud relating to the value declared to Customs for imported and exported goods is prejudicial to the economic and fiscal interest of States and autonomous Customs territories, whether or not Members of the Council, and Customs or Economic Unions,

CONSIDERING that as, in most cases, import or export duties and taxes are collected on an ad valorem basis, a false declaration of value for Customs purposes could deprive States and autonomous Customs territories, whether or not Members of the Council, and Customs or Economic Unions, of a significant part of their revenue,

NOTING that Customs valuation fraud is a matter of serious concern,

NOTING that false declarations of value for Customs purposes provide a means of circumventing fiscal, financial and trade control measures regulated in any manner by value,

HAVING REGARD to the international Convention on mutual administrative assistance for the prevention, investigation and repression of Customs offences (Nairobi, 9 June 1977),

HAVING REGARD to the Customs Co-operation Council Convention on the Valuation of Goods for Customs Purposes (Brussels, 15 December 1950),

HAVING REGARD to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade and the Protocol thereto (Geneva, 12 April 1979),

HAVING REGARD to the Recommendation of the Customs Co-operation Council on mutual administrative assistance (5 December 1953),

HAVING REGARD to the Recommendation of the Customs Co-operation Council on the pooling of information concerning Customs fraud (8 June 1967 and 22 May 1975),

RECOMMENDS that States and autonomous Customs territories, whether or not Members of the Council, and Customs or Economic Unions should :

1. establish that dealing with fraud relative to value be one of the priorities of Customs administrations with particular reference to the prevention, detection and repression of such fraud,
2. incorporate specialized training methods for combating valuation fraud into the training provided to staff assigned to Customs valuation control duties and, as far as possible, maintain a degree of continuity with the staff employed in this area,

3. afford the necessary attention to formulation of appropriate legislation, regulations and administrative guidelines to deal with all aspects of the valuation of goods, including post-facto controls and rules requiring firms to keep records of accounts,
4. provide, within the context of the Nairobi Convention and/or if necessary through specific bilateral or multilateral agreements, for possible exchange of information between the Customs administrations of countries or territories involved in the process of importation and exportation, with a view to the prevention, investigation and repression of Customs valuation fraud,
5. examine the possibility of concluding new bilateral or multilateral agreements for the communication of information relevant to valuation fraud,
6. contribute to the Central Information System by informing the Secretariat of any significant case of valuation fraud detected, this information to be disseminated via the Enforcement Bulletin,
7. seek, to the extent possible and by whatever means appear most appropriate, to secure the fullest co-operation of commercial, fiscal or banking authorities and others involved in international commerce and trade to assist the international Customs community in combating Customs valuation fraud,

REQUESTS States and autonomous Customs territories, whether or not Members of the Council, and Customs or Economic Unions which accept this Recommendation to notify the Secretary General of their acceptance, and of the date from which they will apply the Recommendation and the conditions of its application. The Secretary General will transmit this information to the Customs administrations of all Members. He will also transmit it to any Customs administrations of non-Members and any Customs or Economic Unions which have accepted this Recommendation.
